Tertiary Minerals plc

Interim Statement for the six months to 31 March 2010

Tertiary Minerals plc

Tertiary Minerals is a mineral exploration and development Company with a diverse portfolio of mineral projects in the **Nordic Countries** and **Saudi Arabia**. Tertiary's small team of dedicated professionals is committed to exploration and management excellence and it is our aim to add value to our projects and create wealth for our stakeholders through the **cost effective discovery** and development of mineral resources.

Asset Base

The Company is evaluating a number of major mineral deposits including **important deposits of the industrial mineral fluorspar**, at Storuman in Sweden, where a scoping study is close to completion.

At Kolari in Finland, a large zone of **magnetite iron mineralisation** is being targeted for the production of high grade iron concentrates and in Saudi Arabia Tertiary plans further evaluation of the feasibility stage **world-class** 385 million tonne Ghurayyah **tantalum–niobium-zircon-rare earth deposit** with its joint venture partners, as soon as the exploration licence covering the deposit is granted. Its exploration projects in Finland and Sweden also include several earlier-stage gold, base metals and tantalum projects.

The Company also holds a **10.4% interest in Sunrise Resources plc**, which controls an extensive inventory of exploration targets across a range of commodities in Europe, Australia and Canada.

Chairman's Statement

I am pleased to report the Company's progress and unaudited interim results for the six month period ended 31 March 2010.

Review of Activities
In the past six months work has continued on the scoping study for development of the Company's 100% owned fluorspar project at Storuman in Sweden where in November last year we announced a doubling of the tonnage estimate to over 3 million tonnes of contained fluorspar.

Fluorspar is the principal raw material used in the production of hydrofluoric acid and a range of industrial chemicals and currently sells in Europe for US$350-365/tonne.

The main component of the scoping study has been the development of a metallurgical process for extraction and concentration of the fluorspar. After some delay this work is now finished. A process flow-sheet has been developed for capital and operating costs estimation and the scoping study is on track for completion by the end of June. The scoping study is expected to define the parameters necessary for an economic operation over a range of future fluorspar pricing assumptions.

The Company has carried out an internal market study and has recently held preliminary discussions with potential off-take partners. We are very encouraged by the level of interest being shown by consumers in this potential new European source of fluorspar – and with good reason. Fluorspar prices have risen strongly in recent months and consumers are concerned over the future availability of traditional Chinese supplies. In January 2010 the Chinese Government moved to protect its domestic reserves by refusing new mine development and closing down small and inefficient operations. We expect this to underpin the rising prices.

Given the favourable outlook for fluorspar the Company has evaluated a number of additional fluorspar project acquisitions in recent months. One result of this is an application for a new exploration licence some 50km north-north west of Storuman, at Giertsjaure in Sweden. The new licence application covers a historic boulder-find of rich fluorspar-mineralised sandstone in a geological setting very similar to that at Storuman and follow up work is planned this summer. The Company continues to evaluate additional fluorspar acquisitions, some of which are at an advanced stage.

We, together with our Joint Venture partners, continue to maintain the application for a new exploration licence at the Ghurayyah tantalum-niobium-rare-earth project. It is disappointing that there is no further progress to report at this stage.

Results
The Group is reporting a loss for the six month period of £200,108 (six months to 31 March 2009: £156,506). This loss comprises administration costs of £109,413 (which includes share based payments of £17,594), pre-licence (reconnaissance) costs totalling £22,074, impairments to net assets of £69,134 and interest income of £513. The impairments relate to mineral projects no longer held or where no further exploration is justified.

I am very pleased with the results we have achieved to-date in Sweden. The Storuman fluorspar deposit, already significant by world standards, is open to expansion and we expect that the tonnage estimates can be increased with the next stage of drilling.

I look forward to reporting further progress in the coming months.

Patrick L Cheetham
Executive Chairman
24 May 2010

Consolidated Income Statement
for the six months to 31 March 2010

	Six months to 31 March 2010 Unaudited £	Six months to 31 March 2009 Unaudited £	Twelve months to 30 September 2009 Audited £
Pre-licence exploration costs	**22,074**	23,216	38,127
Impairment of deferred exploration costs	**69,134**	1,296	27,673
Administrative expenses	**109,413**	138,159	211,195
Operating loss	**(200,621)**	(162,671)	(276,995)
Interest receivable	**513**	6,165	6,726
Loss on ordinary activities before taxation	**(200,108)**	(156,506)	(270,269)
Tax on loss on ordinary activities	**—**	—	—
Loss for the period attributable to equity holders of the parent	**(200,108)**	(156,506)	(270,269)
Loss per share – basic and fully diluted (pence) (note 2)	**(0.23)**	(0.23)	(0.36)

Consolidated Statement of Comprehensive Income and Expense

for the six months to 31 March 2010

	Six months to 31 March 2010 Unaudited £	Six months to 31 March 2009 Unaudited £	Twelve months to 30 September 2009 Audited £
Loss for the period	**(200,108)**	(156,506)	(270,269)
Movement in revaluation of available for sale investment	**(38,628)**	(115,884)	(90,131)
Foreign exchange translation differences on foreign currency net investments in subsidiaries	**(115,143)**	112,719	83,331
Total recognised expense since last accounts	**(353,879)**	(159,671)	(277,069)

Company Registration Number 03821411

Consolidated Statement of Financial Position

at 31 March 2010

	As at 31 March 2010 Unaudited £	As at 31 March 2009 Unaudited £	As at 30 September 2009 Audited £
Non-current assets			
Intangible assets	**626,364**	571,539	595,269
Property, plant & equipment	**2,282**	3,974	2,569
Available for sale investment	**128,759**	141,635	167,387
	757,405	717,148	765,225
Current assets			
Receivables	**45,139**	46,360	52,096
Cash and cash equivalents	**531,259**	619,620	725,080
	576,398	665,980	777,176
Current liabilities			
Trade and other payables	**(70,930)**	(80,344)	(76,631)
Net current assets	**505,468**	585,636	700,545
Net assets	**1,262,873**	1,302,784	1,465,770
Equity			
Called up share capital	**884,157**	761,137	883,346
Share premium account	**5,033,480**	4,893,515	5,031,655
Merger reserve	**131,096**	131,096	131,096
Share option reserve	**113,645**	83,552	96,051
Available for sale revaluation reserve	**(153,969)**	(141,094)	(115,341)
Foreign currency reserve	**45,652**	190,183	160,795
Accumulated losses	**(4,791,188)**	(4,615,605)	(4,721,832)
Shareholders' funds	**1,262,873**	1,302,784	1,465,770

Consolidated Statement of Changes in Equity

	Share capital £	Share premium account £	Merger reserve £	Share option reserve £	Available for sale revaluation reserve £	Foreign currency reserve £	Retained losses £	Total £
At 30 September 2008	**636,037**	**4,859,689**	**131,096**	**65,619**	**(25,210)**	**77,464**	**(4,426,001)**	**1,318,694**
Share issue	125,100	33,826	—	—	—	—	—	158,926
Share based payments	—	—	—	17,933	—	—	—	17,933
Change in fair value	—	—	—	—	(115,884)	—	—	(115,884)
Exchange differences	—	—	—	—	—	112,719	(33,098)	79,621
Loss for the period	—	—	—	—	—	—	(156,506)	(156,506)
At 31 March 2009	**761,137**	**4,893,515**	**131,096**	**83,552**	**(141,094)**	**190,183**	**(4,615,605)**	**1,302,784**
Share issue	122,209	138,140	—	—	—	—	—	260,349
Share based payments	—	—	—	12,499	—	—	—	12,499
Change in fair value	—	—	—	—	25,753	—	—	25,753
Exchange differences	—	—	—	—	—	(29,388)	7,536	(21,852)
Loss for the period	—	—	—	—	—	—	(113,763)	(113,763)
At 30 September 2009	**883,346**	**5,031,655**	**131,096**	**96,051**	**(115,341)**	**160,795**	**(4,721,832)**	**1,465,770**
Share issue	811	1,825	—	—	—	—	—	2,636
Share based payments	—	—	—	17,594	—	—	—	17,594
Change in fair value	—	—	—	—	(38,628)	—	—	(38,628)
Exchange differences	—	—	—	—	—	(115,143)	130,752	15,609
Loss for the period	—	—	—	—	—	—	(200,108)	(200,108)
At 31 March 2010	**884,157**	**5,033,480**	**131,096**	**113,645**	**(153,969)**	**45,652**	**(4,791,188)**	**1,262,873**

Consolidated Statement of Cash Flows

for the six months to 31 March 2010

	Six months to 31 March 2010 Unaudited £	Six months to 31 March 2009 Unaudited £	Twelve months to 30 September 2009 Audited £
Operating activities			
Operating loss	**(200,621)**	(162,671)	(276,995)
Issue of shares in lieu of net wages	**2,637**	8,926	15,275
Depreciation charge	**994**	1,553	3,149
Impairment charge	**69,134**	—	27,673
Share based payment charge	**17,594**	17,933	30,432
Decrease in receivables	**6,957**	6,855	1,120
Decrease in payables	**(5,701)**	(13,936)	(17,649)
Net cash outflow from operating activity	**(109,006)**	(141,340)	(216,995)
Investing activities			
Interest received	**513**	6,165	6,726
Purchase of intangible assets	**(94,292)**	(66,716)	(99,600)
Purchase of property, plant & equipment	**(706)**	(79)	(270)
Net cash outflow from investing activity	**(94,485)**	(60,630)	(93,144)
Financing activity			
Issue of share capital (net of expenses)	**—**	150,000	404,000
Net cash inflow from financing activity	**—**	150,000	404,000
Net (decrease)/increase in cash and cash equivalents	**(203,491)**	(51,970)	93,861
Cash and cash equivalents at start of period	**725,080**	591,968	591,968
Exchange differences	**9,670**	79,622	39,251
Cash and cash equivalents at end of period	**531,259**	619,620	725,080

Notes to the Interim Statement

1. Basis of preparation

The interim financial statement has been prepared on the basis of the recognition and measurement requirements of International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), and their interpretations adopted by the International Accounting Standards Board (IASB). The accounting policies used in the preparation of the interim financial information are the same as those used in the Group's audited financial statements for the year ended 30 September 2009, except for the adoption of IAS1, Presentation of Financial Statements (Revised 2007).

IAS1 Presentation of Financial Statements (Revised 2007)

The adoption of IAS1 (Revised 2007) does not affect the financial position or profits of the Group, but gives rise to additional disclosures. The measurement and recognition of the Group's assets, liabilities, income and expenses is unchanged. The presentation of changes in equity is affected and in accordance with the new standard a "Statement of Recognised Income and Expense" is not presented, however a "Consolidated Statement of Changes in Equity" is presented.

In common with many exploration companies, the Company raises finance for its exploration and appraisal activities in discrete tranches. Further funding is raised as and when required. When any of the Group's projects move to the development stage, specific financing will be required.

The directors prepare annual budgets and cash flow projections that extend beyond 12 months from the date of this report. These projections include the proceeds of future fundraising and planned discretionary project expenditures necessary to maintain the Company as a going concern. Although the Company has been successful in raising finance in the past, there is no assurance that it will obtain adequate finance in the future. However, the directors have a reasonable expectation that they will secure additional funding when required to continue meeting corporate overheads and exploration costs for the foreseeable future and therefore believe that the "going concern" basis is appropriate for the preparation of the financial statements.

2. Loss per share

Loss per share has been calculated on the attributable loss for the period and the weighted average number of shares in issue during the period.

	Six months to 31 March 2010 Unaudited	Six months to 31 March 2009 Unaudited	Twelve months to 30 September 2009 Audited
Loss for the period (£)	**(200,108)**	(156,506)	(270,269)
Weighted average shares in issue (No.)	**88,362,279**	66,804,861	74,472,135
Basic loss per share (pence)	**(0.23)**	(0.23)	(0.36)

The loss attributable to ordinary shareholders and the weighted average number of ordinary shares used for the purpose of calculating diluted earnings per share, are identical to those used to calculate the basic earnings per ordinary share. This is because the exercise of share warrants would have the effect of reducing the loss per ordinary share and is therefore not dilutive under the terms of IAS33.

3. Share capital

On 29 January 2010, an issue of 81,131 ordinary shares of 1.0p each was made at 3.25p to one of the Non-Executive Directors for a consideration of £2,637, in satisfaction of Directors Fees.

4. Interim report

Copies of this interim report will be sent to all shareholders and are available from Tertiary Minerals plc, Sunrise House, Hulley Road, Macclesfield, Cheshire, SK10 2LP, United Kingdom. It is also available on the Company's website at www.tertiaryminerals.com

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Donald McAlister	Non-Executive Director
David Whitehead	Non-Executive Director

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